

Al Dulayl Industrial Park Real Estate Company

Public Shareholding Company

Financial Statements

31 December 2020

Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company
Amman – Jordan

Opinion

We have audited the financial statements of Al Dulayl Industrial Park Real Estate Company PLC, which comprise the statement of financial position as at 31 December 2020, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Provision for Expected Credit Loss

Included in the accompanying financial statements at the end of the year 2020 financial assets totaling JOD (254,324), as the provision for expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.


- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records and the accompanying financial statements are in agreement therewith and with the financial data presented in the Board of Director's report, and we recommend the General Assembly to approve it.

28 February 2021
Amman – Jordan




Arab Professionals
Ibrahim Hammoudeh
License No. (606)

Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company
Statement of Financial Position
As at 31 December 2020
(In Jordanian Dinar)

	Notes	2020	2019
Assets			
Non - Current Assets			
Property, plant and equipment	3	152,957	170,107
Investment properties	4	39,244,545	42,190,613
Checks under collection – long term		356,775	2,732,748
Total Non - Current Assets		39,754,277	45,093,468
Current Assets			
Other receivables	5	48,465	40,451
Accounts receivable	6	97,504	519,388
Checks under collection – short term		2,153,937	1,571,385
Cash and cash equivalents	7	409,305	91,348
Total Current Assets		2,709,211	2,222,572
Total Assets		42,463,488	47,316,040
Equity and Liabilities			
Equity	8		
Paid-in capital		21,630,000	21,000,000
Additional paid in capital		-	616,996
Statutory reserve		859,349	730,224
Merge revaluation surplus		13,029,153	15,801,315
Retained earnings		1,487,751	1,110,664
Total Equity		37,006,253	39,259,199
Liabilities			
Non - Current Liabilities			
Deferred revenues – long term	9	1,312,544	3,438,501
Bank loans – long term	10	-	1,107,001
Total Non - Current Liabilities		1,312,544	4,545,502
Current Liabilities			
Other liabilities	11	456,837	423,215
Accounts payable and postdated checks	12	28,786	19,489
Deferred revenues	9	1,612,535	1,902,868
Bank loans	10	1,277,963	961,972
Bank facilities	10	768,570	203,795
Total Current Liabilities		4,144,691	3,511,339
Total Liabilities		5,457,235	8,056,841
Total Equity and Liabilities		42,463,488	47,316,040

“The attached notes from (1) to (23) are an integral part of these financial statements”

Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company
Statement of Profit or Loss For the Year Ended 31 December 2020

(In Jordanian Dinar)

	Notes	2020	2019
Lease revenue		2,007,702	2,011,094
Net revenue from services & others	13	163,922	193,450
Leased buildings depreciation	4	(257,851)	(250,497)
Net operating profit		1,913,773	1,954,047
Administrative expenses	14	(358,704)	(336,901)
Finance cost		(215,763)	(284,609)
Investment Commission fees		(60,231)	(60,333)
Loss from sale of property, plant and equipment		-	(35,912)
Other income		12,179	24,572
Profit for the year before tax		1,291,254	1,260,864
Income and National Contribution tax for the year	15	(142,038)	(138,695)
Prior years income tax	15	-	(35,351)
Profit for the year		1,149,216	1,086,818
Basic and diluted earnings per share	16	0.053	0.050

“The attached notes from (1) to (23) are an integral part of these financial statements”

Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company
Statement of Comprehensive Income For the Year ended 31 December 2020

(In Jordanian Dinar)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Profit for the year		1,149,216	1,086,818
Other comprehensive income :			
Impairment of merge revaluation surplus	4	<u>(2,772,162)</u>	<u>-</u>
Total comprehensive (loss) income for the year		<u>(1,622,946)</u>	<u>1,086,818</u>

“The attached notes from (1) to (23) are an integral part of these financial statements”

Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company
Statement of Changes in Equity For the Year Ended 31 December 2020
(In Jordanian Dinar)

	<u>Paid – in capital</u>	<u>Additional Paid- in capital</u>	<u>Statutory reserve</u>	<u>Merge revaluation surplus</u>	<u>Retained earning</u>	<u>Total equity</u>
Balance at 1 January 2020	21,000,000	616,996	730,224	15,801,315	1,110,664	39,259,199
Capital increase	630,000	(616,996)	-	-	(13,004)	-
Cash dividends	-	-	-	-	(630,000)	(630,000)
Total comprehensive income for the year	-	-	-	(2,772,162)	1,149,216	(1,622,946)
Statutory reserve	-	-	129,125	-	(129,125)	-
Balance at 31 December 2020	<u>21,630,000</u>	<u>-</u>	<u>859,349</u>	<u>13,029,153</u>	<u>1,487,751</u>	<u>37,006,253</u>
Balance at 1 January 2019	21,000,000	616,996	604,138	15,801,315	779,932	38,802,381
Cash dividends	-	-	-	-	(630,000)	(630,000)
Total comprehensive income for the year	-	-	-	-	1,086,818	1,086,818
Statutory reserve	-	-	126,086	-	(126,086)	-
Balance at 31 December 2019	<u>21,000,000</u>	<u>616,996</u>	<u>730,224</u>	<u>15,801,315</u>	<u>1,110,664</u>	<u>39,259,199</u>

“The attached notes from (1) to (23) are an integral part of these financial statements”

Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company
Statement of Cash Flows
For the Year Ended 31 December 2020

(In Jordanian Dinar)

	2020	2019
Operating Activities		
Profit before tax	1,291,254	1,260,864
Depreciation	275,001	269,768
Loss from sale of property, plant and equipment	-	35,912
Changes in operating activities		
Accounts receivable and checks under collection	2,215,305	(242,945)
Other receivables	(8,014)	(16,930)
Accounts payable and postdated checks	9,297	3,226
Other liabilities	30,279	115,484
Deferred revenues	(2,416,290)	(260,595)
Income tax paid	(138,695)	(35,351)
Net cash flows from operating activities	<u>1,258,137</u>	<u>1,129,433</u>
Investing Activities		
Property, plant and equipment	-	40,000
Investment properties	(83,945)	(23,693)
Net cash Flows (used in) from investing activities	<u>(83,945)</u>	<u>16,307</u>
Financing Activities		
Banks facilities	564,775	7,354
Bank loans	(791,010)	(636,862)
Cash dividends	(630,000)	(630,000)
Net cash flows used in financing activities	<u>(856,235)</u>	<u>(1,259,508)</u>
Net changes in cash and cash equivalents	317,957	(113,768)
Cash and cash equivalents, beginning of year	91,348	205,116
Cash and cash equivalents, end of year	<u><u>409,305</u></u>	<u><u>91,348</u></u>

“The attached notes from (1) to (23) are an integral part of these financial statements”

Al Dulayl Industrial Park Real Estate Company
Public Shareholding Company
Notes to the Financial Statements
31 December 2020

(In Jordanian Dinar)

1 . General

Al Dulayl Industrial Park Real Estate Company was established on 23 August 1995 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (290). The Company registered in the Hashemite Kingdom of Jordan.

The Company's main activity is to establish and manage the companies, manufacturing the liquid chemical cleaners.

The Company stocks are listed in Amman Stock Exchange – Jordan.

The accompanying financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 28 February 2021, and it is subject to the General Assembly approval.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost convention.

The financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the year.

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2020. Management anticipates that the adoption of new and revised Standards will have no material impact on the financial statements of the Company.

<u>Standard No.</u>	<u>Title of Standard</u>	<u>Effective Date</u>
IFRS 17	Insurance Contracts	1 January 2023

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of the financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

Property, Plant and Equipment

Property plant and equipment are stated at cost less accumulated depreciation (except lands) and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of profit or loss.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Buildings	4%
Machines & Equipment	2-15%
Vehicles	15%
Furniture & Fixtures	9%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property plant and equipment.

Investment properties

Investment properties are stated at cost less accumulated depreciation and any impairment provision. Investment properties (except lands) are depreciated using the straight-line method at annual depreciation rates from 2%-10%.

Trade Receivables

Trade Receivables are carried at original invoice amount less estimate made for expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, deposits held at call with banks and short term deposits with the original maturity of three months or less.

Accounts Payable and Accruals

Accounts payable and accrued payments are recognized upon receiving of goods or performance of services.

Provisions

A provision is recognized when, and only when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the financial statement when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue Recognition

Revenues from sale of goods are recognized when control transferred to the buyer, while revenues from rendering services are recognized over time and according to percentage of completion. In all cases, it is necessary that the amount of revenue can be measured reliably.

Rent revenue is recognized on the straight line method over the contract period.

Other revenues are recognized on the accrual basis.

Short-term-leases and leases of low-value assets

The company applies the short-term lease recognition exemption to some of its short-term leases (I.e., those leases that have a lease terms of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Expenses

Administrative expenses include direct and indirect costs not necessarily parts of leasing assets and services performed by the company as required under accounting principles. An allocation between general administrative expenses and cost of leasing states are made on a consistent basis when required.

Borrowing costs

Borrowing costs generally are expenses as incurred.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the statement of profit or loss.

Income Taxes

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

3 . Property, Plant and Equipment

	Buildings	Machines & Equipment	Vehicles	Furniture & Fixtures	Total
Cost					
Balance at 1/1/2020	9,429	227,052	36,975	20,112	293,568
Balance at 31/12/2020	9,429	227,052	36,975	20,112	293,568
Accumulated depreciation					
Balance at 1/1/2020	4,141	75,991	30,758	12,571	123,461
Depreciation	377	11,922	3,041	1,810	17,150
Balance at 31/12/2020	4,518	87,913	33,799	14,381	140,611
Net book value at 31/12/2020	4,911	139,139	3,176	5,731	152,957
Cost					
Balance at 1/1/2019	9,429	305,922	36,975	20,112	372,438
Disposals	-	(78,870)	-	-	(78,870)
Balance at 31/12/2019	9,429	227,052	36,975	20,112	293,568
Accumulated depreciation					
Balance at 1/1/2019	3,764	67,028	25,595	10,761	107,148
Depreciation	377	11,921	5,163	1,810	19,271
Disposals	-	(2,958)	-	-	(2,958)
Balance at 31/12/2019	4,141	75,991	30,758	12,571	123,461
Net book value at 31/12/2019	5,288	151,061	6,217	7,541	170,107

4 . Investment Properties

2020	Investment in industrial lands	Investment in leased buildings	Merge revaluation surplus	Total
Cost				
Balance at 1/1/2020	16,220,026	11,830,153	20,299,946	48,350,125
Additions	-	83,945	-	83,945
Balance at 31/12/2020	16,220,026	11,914,098	20,299,946	48,434,070
Depreciation & Impairment				
Balance at 1/1/2020	-	1,660,881	4,498,631	6,159,512
Depreciation	-	257,851	-	257,851
Impairment of merge surplus	-	-	2,772,162	2,772,162
Balance at 31/12/2020	-	1,918,732	7,270,793	9,189,525
Net book value at 31/12/2020	16,220,026	9,995,366	13,029,153	39,244,545
2019	Investment in industrial lands	Investment in leased buildings	Merge revaluation surplus	Total
Cost				
Balance at 1/1/2019	16,220,026	11,806,460	20,299,946	48,326,432
Additions	-	23,693	-	23,693
Balance at 31/12/2019	16,220,026	11,830,153	20,299,946	48,350,125
Depreciation & Impairment				
Balance at 1/1/2019	-	1,410,384	4,498,631	5,909,015
Depreciation	-	250,497	-	250,497
Balance at 31/12/2019	-	1,660,881	4,498,631	6,159,512
Net book value at 31/12/2019	16,220,026	10,169,272	15,801,315	42,190,613

Some of the Company's lands and buildings are mortgaged against bank facilities beside deposit of checks under collection.

5 . Other Receivables

	2020	2019
Refundable deposits	18,732	18,732
Bank guarantees	12,800	12,800
Prepaid expenses	15,418	8,176
Employees receivable	1,515	743
	48,465	40,451

6 . Accounts Receivable

	2020	2019
Accounts receivable	254,324	681,330
Provision for expected credit losses	(156,820)	(161,942)
	97,504	519,388

The movement on the provision for expected credit losses is as follows:

	2020	2019
Balance at beginning of the year	161,942	161,942
Write off debts	(5,122)	-
	156,820	161,942

The age of receivables past due but not impaired is as follows:

	2020	2019
Less than one year	97,504	519,388
More than one year	-	-
	97,504	519,388

Management believes that all the receivables not included in the provision are collectable.

7 . Cash and Cash Equivalents

	2020	2019
Cash on hand	4,884	11,279
Current bank accounts	404,421	80,069
	409,305	91,348

8 . Equity

Paid-in capital

The Company's authorized, subscribed and paid up capital is JOD (21,630,000) divided equally into (21,630,000) shares with par value of JOD (1) for each share as at 31 December 2020.

The Company's authorized, subscribed and paid up capital is JOD (21) Million divided equally into (21) Million shares with par value of JOD (1) for each share as at 31 December 2019.

Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

Merge Revolution Surplus

This amount is not allowed for distribution to shareholders, unless the assets related to the surplus has been sold to third parties.

Dividends

- The Board of Director will propose to the General Assembly in its meeting which will be held in 2021 to distribute (6%) stock dividends to shareholders.
- The General Assembly has resolved in its meeting held on 5 July 2020 to distribute 3% cash dividends and 3% stock dividends to the shareholders from the capital of JOD (21) million/share, through transferring the balance of the additional paid in capital of JOD (616,996) in to stock dividends and the remaining of JOD (13,004) from the retained earnings.

9 . Deferred revenue

This item represents the prepaid lease amount received from the lessee, payment recognized either as cash, checks under collection or receivables.

10 . Bank Facilities

Credit Type	Interest rate	Maturity date	Credit Limit	Outstanding Balance
Over draft	9-10%	2021	850,000	768,570
Loans	9-10%	2021	1,277,963	1,277,963
				2,046,533

The above facilities are granted to the Company against depositing checks under collection and mortgage of some of the Company's lands and buildings.

11 . Other Liabilities

	2020	2019
Amounts due to shareholders	246,641	214,301
Provision for Income and National Contribution tax (Note 15)	142,038	138,695
Provision for Investment Commission fees	60,231	60,333
Accrued expenses	5,510	5,510
Social security's withholdings	1,759	2,247
Employees income tax withholdings	658	2,129
	456,837	423,215

12 . Accounts Payable and Postdated Checks

	2020	2019
Accounts payable	3,305	16,706
Postdated checks	25,481	2,783
	28,786	19,489

13 . Net Revenue from Services & Others

	2020	2019
Services revenue	143,659	147,149
Water distribution revenue	20,263	46,301
	163,922	193,450

14 . Administrative Expenses

	2020	2019
Wages, salaries & other benefits	206,077	192,628
Fees and licenses	27,113	22,366
Professional fees	22,720	17,818
Maintenance	19,818	2,366
Depreciation (Note 3)	17,150	19,271
Industrial park expenses	12,609	24,757
Rents	10,115	9,180
Health insurance	5,868	5,522
Post and telecommunication	4,718	5,426
Vehicles expenses	4,078	5,228
Marketing and advertisement	3,990	5,059
Utilities & fuel	3,027	2,968
Hospitality	1,200	1,126
Companies Controller fees	1,200	600
Miscellaneous	19,021	22,586
	358,704	336,901

15 . Income Tax

The movement for the income tax provision during the year is as follows:

	2020	2019
Balance at beginning of the year	138,695	-
Income and National contribution tax for the year	142,038	138,695
Income tax for prior years	-	35,351
Income tax paid	(138,695)	(35,351)
Balance at the end of the year (Note 11)	142,038	138,695

Income tax expense for the year in the statement of profit or loss consists of the following:

	2020	2019
Income tax expense for the year	129,125	126,086
National Contribution tax	12,913	12,609
Income tax for prior years	-	35,351
	142,038	174,046

- The Company has settled its tax liabilities with the Income Tax Department up to 2018.
- The income tax return for the year 2019 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- The Income and the National contribution tax provision for the year 2020 has been calculated in accordance with the Jordanian Income Tax Law.

16 . Basic and Diluted Earnings per Share

	2020	2019
Profit for the year	1,149,216	1,086,818
Weighted average number of shares	21,630,000	21,630,000
	0.053	0.050

17 . Executive Management Salaries and Remunerations

The remuneration of executive management during the years 2020 and 2019 amounted to JOD (91,959) and JOD (94,500) respectively.

18 . Contingent liabilities

The Company is contingently liable with respect to bank letters of guarantee for JOD (50,000) with cash margin of JOD (12,500).

19 . Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, checks under collection, and other receivables. Financial liabilities of the Company include bank facilities, deferred revenue, postdated checks and accounts payable.

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

20 . Financial Risk Management

Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Currency Risk

The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency risk and the Company's results or equity to movements in exchange rates is not considered significant.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

2020	Less Than One Year	More Than One Year	Total
Deferred revenues	1,612,535	1,312,544	2,925,079
Bank loans	1,277,963	-	1,277,963
Other liabilities	456,837	-	456,837
Accounts payable and postdated checks	28,786	-	28,786
Bank facilities	768,570	-	768,570
	4,144,691	1,312,544	5,457,235
2019	Less Than One Year	More Than One Year	Total
Deferred revenues	1,902,868	3,438,501	5,341,369
Bank loans	961,972	1,107,001	2,068,973
Other liabilities	423,215	-	423,215
Accounts payable and postdated checks	19,489	-	19,489
Bank facilities	203,795	-	203,795
	3,511,339	4,545,502	8,056,841

21 . Segment Information

The Company's main activity is to build and operate the industrial park areas in the Hashemite Kingdom of Jordan, as well as selling and leasing these industrial park areas to others, establish industry activity supporting the garment sector, also working on creating free zones and providing the necessary services to operate these areas. Construct and manage projects relating to housing, tourism, and complex areas as well as selling, leasing and investing in any possible forms.

The Company works on a single geographic area which is the Hashemite kingdom of Jordan.

22 . Capital Management

The Board of Directors manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by keeping a balance between debt and shareholders' equity.

The table below shows the debt to equity ratio:

	2020	2019
Total Debt	2,046,533	2,272,768
Total Equity	37,006,253	39,259,199
Debt to Equity ratio	5.5%	5.8%

23 . The Impact of the New Corona Pandemic (Covid-19)

The outbreak of the new Corona virus (Covid-19) at the beginning of 2020 caused a global economic crisis and disrupted many companies and economic activities, which had negatively affect the financial position of the Company, the results of its operations and its cash flows.